

WorkFirst Reexamination Workgroup

Focus Area Briefing Paper

Issue: Community Jobs

Goals:

- Enough income to not need TANF
- Increase self-sufficiency

Description: Community Trade and Economic Development (CTED) contracts statewide with community-based organizations to provide the Community Jobs (CJ) program. CJ provides subsidized community-based work and skill-building experience to Temporary Assistance for Needy Families (TANF) parents encountering barriers to employment. Parents work 20 hours per week and are paid Washington State's hourly minimum wage and are eligible for the Earned Income Tax Credit (EITC). Host work sites are in nonprofit organizations, educational institutions, private entities, and local, state, federal, or tribal governments. Wages and benefits are paid entirely through state TANF funds. In FY05, roughly 2,119 clients enrolled in CJ.

Case managers usually refer parents to CJ after the parent fails to obtain employment in job search. After a CJ assessment, each parent creates an Individual Development Plan (IDP) with the contractor to identify professional and personal goals. A training plan describes expected job duties, occupational goals and objectives including training and skill development. The CJ contractor provides intensive case management.

Cost: CTED's budget for FY05 for the CJ program was roughly \$14 million. Expenditures included: 6 CTED FTEs, payments to contractors for direct services, wage subsidies, and support services for clients. The costs of the program are slightly offset by the reduced cost of TANF grants to clients since they are working. In FY05 this offset was roughly \$1.7 million.

Background: Since 1998, CTED has operated the Community Jobs program helping parents with multiple barriers gain valuable work experience, self-confidence, marketable skills, and an avenue to permanent, unsubsidized employment. Currently, through CJ contracts, there are 16 community-based organizations and four tribes that provide direct services to families. Contractors develop job opportunities and employ participants 20 hours per week in temporary paid positions at nonprofit organizations and public agencies. They provide case management to ensure that participants gain access to services that will lead to unsubsidized employment.

Community Jobs performance is measured by counting client placements in unsubsidized employment in the quarter of enrollment in any of the three following quarters. Over the most recent four quarters for which data is available, an average of 50.2% of clients met this goal. There appears to be significant variation in performance, however as 12 CSOs saw more than two-thirds of their CJ clients placed in recent quarters.

Internally, CTED uses a similar "shadow measure," which relies on ACES and eJAS employment reporting, rather than the UI wage database. This measure reports higher placement rates (around 65%), but trends are similar to those seen with the UI measure.

Research results:

Early national studies of transitional jobs programs, including Community Jobs, were very promising. While retention in the programs was consistently challenging, those that remained in the programs for their duration saw placement rates as high as 90%. Anecdotal reports from providers and clients saw strong positive impacts for parents.

However, in part because of the relatively small size of these programs, rigorous data has yet to consistently support these high hopes. The WorkFirst Longitudinal study examined employment and earnings outcomes for the Community Jobs program. As summarized by the Washington State Institute for Public Policy,

“While there was some early evidence [based on the experiences of 26 participants that were in the program from 3/99 to 12/99] that Community Jobs participants enjoyed significantly higher employment rates and earnings, subsequent analyses of the program fail to support those initial findings. Other reports attributing employment and earnings gains to participation in Community Jobs do not effectively measure the net impact of the program. At this time, no conclusive evidence exists about the effect of Community Jobs on participant outcomes.”

A number of transitional jobs programs around the country (CJ among them) have produced evaluations in recent years with very positive employment and earnings outcomes; however, none of these have been random assignment studies or have had adequate control groups. Overall, research findings have neither supported nor denied the efficacy of these programs, although support for them in the research and advocacy communities remains high.

Questions for further consideration:

- How many of those enrolled in community jobs complete it?
- How many average hours per client does the CJ contractor spend?
- What are the overhead/administrative costs of the CJ contractors?